

**ASSEMBLY BILL**

**No. 2603**

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**Introduced by Assembly Member Morrell**

February 24, 2012

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An act to amend Section 6357.1 of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 2603, as introduced, Morrell. Sales and use taxes.

Existing law partially exempts from the taxes imposed by sales and use tax laws the gross receipts from the sale in this state of, and the storage, use, or other consumption in this state of, diesel fuel used in farming and food processing.

This bill would make a technical, nonsubstantive change to this provision.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 6357.1 of the Revenue and Taxation
- 2 Code is amended to read:
- 3 6357.1. (a) There are exempted from the taxes imposed by
- 4 this part, the gross receipts from the sale in this state of, and the
- 5 storage, use, or other consumption in this state of, diesel fuel used
- 6 in farming activities and food processing. This section shall be
- 7 implemented as soon as possible, but in no case later than
- 8 September 1, 2001.

1 (b) For purposes of this section, “farming activities” has the  
2 same meaning as “farming~~business~~” *business*,” as set forth in  
3 Section 263A of the Internal Revenue Code. “Farming activities”  
4 also includes the transportation and delivery of farm products to  
5 the marketplace.

6 (c) The exemption established by this section does not apply  
7 with respect to either of the following:

8 (1) A tax imposed under the Bradley-Burns Uniform Local Sales  
9 and Use Tax Law (Part 1.5 (commencing with Section 7200)) or  
10 in accordance with the Transactions and Use Tax Law (Part 1.6  
11 (commencing with Section 7251)).

12 (2) A tax imposed under Section 6051.2 or 6201.2, or under  
13 Section 35 of Article XIII of the California Constitution.